

CIP EXPENSE DETAIL

DATE OF BOARD CONSIDERATION:
CONTACT DEPARTMENT(S):

8/2/12
Austin Housing Finance Corporation

SUBJECT: Approve the negotiation and execution of a loan to FOUNDATION COMMUNITIES, or its affiliate organization, in an amount not to exceed \$2,360,000 to assist with the property acquisition and the new construction of a 135-unit single-room occupancy housing facility for homeless and low-income individuals to be located at 309 East 11th Street.

CURRENT YEAR IMPACT:

Department:	Austin Housing Finance Corporation
Project Name:	Capital Studios
Fund/Department/Unit:	8605-7207-0400
Funding Source:	GO Bonds
Current Appropriation:	55,000,000.00
Unencumbered Balance:	2,520,358.19
Amount of This Action:	<u>(2,000,000.00)</u>
Remaining Balance:	<u>520,358.19</u>
 Total Amount of this Action	 <u><u>2,000,000.00</u></u>

ANALYSIS / ADDITIONAL INFORMATION: Approval of funding will allow Foundation Communities, Inc. or its affiliate organization to acquire and construct a new 135-unit Single Room Occupancy (SRO) facility that will provide housing for homeless and very low-income individuals. The development will be known as Capital Studios, and Foundation Communities has proposed twenty-seven (27) units of Permanent Supportive Housing at the facility.

If approved, Austin Housing Finance Corporation (AHFC) funds will represent \$17,481 per unit or approximately 20 percent of the total project cost. The proposed funding sources are G. O. Bond Funds (\$2,000,000) and Community Development Block Grant Funds (\$360,000).

The request for funding is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.